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Return of Organization Exempt From Income Tax

OMB No 1545-0047

2008

Open to Public
InspectionDepartment of the Treasury
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung
benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2008 calendar year, or tax year beginning 07/01, 2008, and ending 06/30, 2009

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type See Specific Instructions	C Name of organization THE RED OAKS SCHOOL, INC.		D Employer identification number
		Doing Business As		22-1815493
		Number and street (or P O box if mail is not delivered to street address) Room/suite		E Telephone number
		21 CUTLER STREET		(973) 539-7853
		City or town, state or country, and ZIP + 4		
		MORRISTOWN, NJ 07960		G Gross receipts \$ 3,492,216.
F Name and address of principal officer		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		H(b) Are all affiliates included? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
		If "No," attach a list (see instructions)		
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (3) (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		J Website: REDOAKSSCHOOL.ORG		H(c) Group exemption number
K Type of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation 1965		M State of legal domicile NJ

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities OPERATE MONTESSORI CHILDREN'S SCHOOL, PRESCHOOL TO 6TH GRADE
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets
	3	Number of voting members of the governing body (Part VI, line 1a) 3 14
	4	Number of independent voting members of the governing body (Part VI, line 1b) 4 14
	5	Total number of employees (Part V, line 2a) 5 41
	6	Total number of volunteers (estimate if necessary) 6
	7a	Total gross unrelated business revenue from Part VIII, line 12, column (C) OGDEN, UT. 7a
7b	Net unrelated business taxable income from Form 990-T, line 34 7b	
Revenue	8	Contribution and grants (Part VIII, line 1h) 344,104. 230,585.
	9	Program service revenue (Part VIII, line 2g) 3,196,360. 3,206,868.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d) 35,764. 9,465.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e) 11,607. NONE
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12) 3,587,835. 3,446,918.
	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3) NONE NONE
	14	Benefits paid to or for members (Part IX, column (A), line 4) NONE NONE
Expenses	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10) 2,315,142. 2,095,579.
	16a	Professional fundraising fees (Part IX, column (A), line 11e) NONE NONE
	16b	Total fundraising expenses, Part IX, column (D), line 25 68,639.
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f) 1,016,450. 913,826.
	18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25) 3,331,592. 3,009,405.
	19	Revenue less expenses Subtract line 18 from line 12 256,243. 437,513.
	20	Total assets (Part X, line 16) 1,744,090. 2,171,062.
Net Assets or Fund Balances	21	Total liabilities (Part X, line 26) 727,727. 717,186.
	22	Net assets or fund balances Subtract line 21 from line 20 1,016,363. 1,453,876.

Part II Signature Block

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge	
	Signature of officer John Eade, Treasurer	Date 5/19/10
Paid Preparer's Use Only	Preparer's signature T. Smith	Date 5/12/10
	Preparer's identifying number (see instructions) P00030791	Check if self-employed <input type="checkbox"/>
Firm's name (or yours if self-employed), address, and ZIP + 4	WITHUMSMITH+BROWN, PC	
	EIN 22-2027092	Phone no 973-898-9494
May the IRS discuss this return with the preparer shown above? (See instructions)		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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Part III Statement of Program Service Accomplishments (see instructions)**1** Briefly describe the organization's mission:

SEE STATEMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.**4a** (Code _____) (Expenses \$ 2,047,039. including grants of \$ _____) (Revenue \$ 3,206,868.)

OPERATE MONTESSORI CHILDREN'S HOUSE SCHOOL, PRESCHOOL TO SIXTH GRADE.

4b (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)**4c** (Code _____) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)**4d** Other program services (Describe in Schedule O)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► \$ 2,047,039. (Must equal Part IX, Line 25, column (B))

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	3	X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	4	X
5 Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	8	X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	9	X
10 Did the organization hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	10	X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	11 X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? If "Yes," complete Schedule D, Parts XI, XII, and XIII	12 X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	13 X	
14a Did the organization maintain an office, employees, or agents outside of the U S ?	14a	X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U S ? If "Yes," complete Schedule F, Part I	14b	X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	15	X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	16	X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? If "Yes," complete Schedule G, Part I	17	X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	18 X	
19 Did the organization report more than \$15,000 on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	19	X
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	20	X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? If "Yes," complete Schedule I, Parts I and II	21	X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III	22	X
23 Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? If "Yes," complete Schedule J	23 X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I	25a	X
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? If "Yes," complete Schedule L, Part I	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If "Yes," complete Schedule L, Part II	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? If "Yes," complete Schedule L, Part III	27	X

Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? If "Yes," complete Schedule L, Part IV	28a	X
b Have a family member who had a direct or indirect business relationship with the organization? If "Yes," complete Schedule L, Part IV	28b	X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? If "Yes," complete Schedule L, Part IV	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I	33	X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI	37	X

Form **990** (2008)

Form 990 (2008)

Part VI Governance, Management, and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code)**Section A. Governing Body and Management**

		Yes	No
For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	14	
1b	Enter the number of voting members that are independent	14	
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		X
6	Does the organization have members or stockholders?		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		X
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9a	Does the organization have local chapters, branches, or affiliates?		X
9b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990.	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O.		X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If "No," go to line 13.	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done.	X	
13	Does the organization have a written whistleblower policy?	X	
14	Does the organization have a written document retention and destruction policy?	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
a	The organization's CEO, Executive Director, or top management official?	X	
b	Other officers or key employees of the organization? Describe the process in Schedule O (see instructions).		X
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed: NJ

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: TAXPAYER MORRISTOWN, NJ, 07960
(973) 539-7853

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JOHN EADE TREASURER	5.	X		X						
MICHAEL MOONEY PRESIDENT	5.	X		X						
WENDY SUPRON VICE PRESIDENT	5.	X		X						
KAREN BENTON TRUSTEE	3.	X								
ANNE CAROLAN TRUSTEE	3.	X								
FRED DOUGLAS TRUSTEE	3.	X								
LINCOLN CHILD TRUSTEE	3.	X								
SANGEETA MEHTA TRUSTEE	3.	X								
LYNN REICHARD TRUSTEE	3.	X								
TINA TERRACIANO TRUSTEE	3.	X								
CHRISTINE ST PETER LEVINSOHN TRUSTEE	3.	X								
JANET DAVIS SECRETARY	5.	X		X						
KAREN BENTON TRUSTEE	3.	X								
MARILYN E STEWART HEAD OF SCHOOL	40.				X	X		200,868.		18,511.

Part VIII Statement of Revenue

22-1815493

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	111,609.			
	d	Related organizations	1d				
	e	Government grants (contributions) . .	1e				
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	118,976.			
	g	Noncash contributions included in lines 1a-1f \$					
	h	Total. Add lines 1a-1f		230,585.			
Program Service Revenue				Business Code			
	2a	TUITION		2,958,345.	2,958,345.		
	b	PROGRAMS		207,988.	207,988.		
	c	PARENTS ASSOCIATION		40,535.	40,535.		
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		3,206,868.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		9,465.	9,465.		
	4	Income from investment of tax-exempt bond proceeds . . .		NONE			
	5	Royalties		NONE			
		(i) Real	(ii) Personal				
	6a	Gross Rents					
	b	Less rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		NONE			
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
	b	Less cost or other basis and sales expenses					
	c	Gain or (loss)					
	d	Net gain or (loss)			NONE		
	8a	Gross income from fundraising events (not including \$ 111,609. of contributions reported on line 1c) See Part IV, line 18	a	45,298.			
	b	Less direct expenses	b	45,298.			
	c	Net income or (loss) from fundraising events .	STMT 3.		NONE		
	9a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less direct expenses	b				
	c	Net income or (loss) from gaming activities			NONE		
10a	Gross sales of inventory, less returns and allowances	a					
b	Less cost of goods sold	b					
c	Net income or (loss) from sales of inventory			NONE			
Miscellaneous Revenue			Business Code				
11a							
b							
c							
d	All other revenue						
e	Total. Add lines 11a-11d			NONE			
12	Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e			3,446,918.	3,216,333.		

Part IX Statement of Functional Expenses**Section 501(c)(3) and 501(c)(4) organizations must complete all columns.****All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).**

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21 . . .	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	219,379.	109,689.	109,690.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . .	NONE			
7 Other salaries and wages	1,499,632.	1,131,414.	313,234.	54,984.
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions) . .	NONE			
9 Other employee benefits	NONE			
10 Payroll taxes	376,568.	271,794.	104,774.	
11 Fees for services (non-employees)				
a Management	NONE			
b Legal	NONE			
c Accounting	96,594.	48,297.	48,297.	
d Lobbying	NONE			
e Professional fundraising services See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	4,788.	2,394.	2,394.	
13 Office expenses	88,618.	44,309.	44,309.	
14 Information technology	NONE			
15 Royalties	NONE			
16 Occupancy	NONE			
17 Travel	NONE			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	NONE			
20 Interest	NONE			
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization . . .	90,784.	45,392.	45,392.	
23 Insurance	44,844.	4,484.	40,360.	
24 Other expenses Itemize expenses not covered above (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a ENROLLMENT-----	144,744.		144,744.	
b REPAIRS AND MAINTENANCE-----	110,047.	99,042.	11,005.	
c ACADEMIC INSTRUCTION-----	82,253.	82,253.		
d PARENTS ASSOCIATION-----	49,469.	49,469.		
e CONSULTANTS-----	40,904.	40,904.		
f All other expenses-----	160,781.	117,598.	29,528.	13,655.
25 Total functional expenses. Add lines 1 through 24f	3,009,405.	2,047,039.	893,727.	68,639.
26 Joint Costs. Check here <input type="checkbox"/> If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	352,021.	1	743,170.
	2 Savings and temporary cash investments	487,521.	2	493,094.
	3 Pledges and grants receivable, net	1,423.	3	5,987.
	4 Accounts receivable, net	79,007.	4	59,482.
	5 Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sales or use		8	
	9 Prepaid expenses and deferred charges	34,074.	9	40,786.
	10a Land, buildings, and equipment cost basis	10a 2,260,436.		
	b Less accumulated depreciation. Complete Part VI of Schedule D.	10b 1,433,518.	783,530.	10c 826,918.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	6,514.	15	1,625.
16 Total assets. Add lines 1 through 15 (must equal line 34)	1,744,090.	16	2,171,062.	
Liabilities	17 Accounts payable and accrued expenses	386,242.	17	317,045.
	18 Grants payable		18	
	19 Deferred revenue	341,485.	19	400,141.
	20 Tax-exempt bond liabilities		20	
	21 Escrow account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25.	727,727.	26	717,186.
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	784,451.	27	1,203,896.
	28 Temporarily restricted net assets	198,912.	28	249,980.
	29 Permanently restricted net assets	33,000.	29	NONE
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	1,016,363.	33	1,453,876.
	34 Total liabilities and net assets/fund balances	1,744,090.	34	2,171,062.

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a	X
b	Were the organization's financial statements audited by an independent accountant?	2b	X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X
b	If "Yes," did the organization undergo the required audit or audits?	3b	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1)
nonexempt charitable trusts.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization **THE RED OAKS SCHOOL, INC.**

Employer identification number

FORMERLY MONTESSORI CHILDREN'S HOOUSE, INC.

22-1815493

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is (Please check only **one** organization.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**
- 2 ☒ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)
- 9 ☐ An organization that normally receives (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h
- a ☐ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box. ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? ☐
- (ii) A family member of a person described in (i) above? ☐
- (iii) A 35% controlled entity of a person described in (i) or (ii) above? ☐

	Yes	No
11g(i)		X
11g(ii)		X
11g(iii)		X

h Provide the following information about the organizations the organization supports

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the US?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule A (Form 990 or 990-EZ) 2008

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (See instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f	15	%
16a 33 1/3% support test - 2008. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 33 1/3% support test - 2007. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test - 2008. If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test - 2007. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ <input type="checkbox"/>		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or \$5,000						
c Add lines 7a and 7b.						
8 Public support. (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add lines 9, 10c, 11, and 12)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2008 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2007 Schedule A, Part IV-A, line 27h	18	%

19a 33 1/3% support tests - 2008. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

b 33 1/3% support tests - 2007. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ☐

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10, Part II, line 17a or 17b, or Part III, line 12. Provide any other additional information (see instructions).

[illegible]

SCHEDULE D
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that
answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No 1545-0047

2008

Open to Public
Inspection

Name of the organization THE RED OAKS SCHOOL, INC.

Employer identification number

FORMERLY MONTESSORI CHILDREN'S HOOUSE, INC.

22-1815493

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if
the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or pleasure)	<input type="checkbox"/> Preservation of an historically importantly land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

(ii) Assets included in Form 990, Part X ▶ \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a Revenues included in Form 990, Part VIII, line 1 ▶ \$ _____

b Assets included in Form 990, Part X ▶ \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule D (Form 990) 2008

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a ☐ Public exhibition
 b ☐ Scholarly research
 c ☐ Preservation for future generations
 d ☐ Loan or exchange programs
 e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as

- a Board designated or quasi-endowment ► _____ %
 b Permanent endowment ► _____ %
 c Term endowment ► _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

- (i) unrelated organizations
 (ii) related organizations

	Yes	No
3a(i)		
3a(ii)		
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		15,000.		
b Buildings		1,693,727.	938,784.	754,943.
c Leasehold improvements		NONE	NONE	NONE
d Equipment		351,604.	301,584.	50,020.
e Other		200,105.	193,150.	6,955.
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c))				811,918.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other _____		

Total. (Column (b) should equal Form 990, Part X, col (B) line 12.) ►		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) should equal Form 990, Part X, col (B) line 13) ▶		

Part IX **Other Assets.** See Form 990, Part X, line 15[illegible]**Part X** **Other Liabilities.** See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
Total. (Column (b) should equal Form 990, Part X, col (B) line 25)	

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48

Part XIV Supplemental Information (continued)

Area with horizontal dashed lines for supplemental information.

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

► To be completed by organizations that
answer "Yes" to Form 990, Part IV, line 13, or Form 990-EZ, Part VI, line 48.
► Attach to Form 990 or Form 990-EZ.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization **THE RED OAKS SCHOOL, INC.**
FORMERLY MONTESSORI CHILDREN'S HOUSE, INC.

Employer identification number
22-1015493

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	1 X	
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	2 X	
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain ----- ----- ----- -----	3 X	
4 Does the organization maintain the following		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	4a X	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	4b X	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	4c X	
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----	4d X	
5 Does the organization discriminate by race in any way with respect to		
a Students' rights or privileges?	5a	X
b Admissions policies?	5b	X
c Employment of faculty or administrative staff?	5c	X
d Scholarships or other financial assistance?	5d	X
e Educational policies?	5e	X
f Use of facilities?	5f	X
g Athletic programs?	5g	X
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain (If you need more space, attach a separate statement) ----- ----- -----	5h	X
6a Does the organization receive any financial aid or assistance from a governmental agency?	6a	X
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, please explain using an attached statement	6b	X
7 Does the organization certify that it has complied with the applicable requirements of sections 4 01 through 4 05 of Rev Proc 75-50, 1975-2 CB 587, covering racial nondiscrimination? If "No," attach an explanation	7 X	

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990 or Form 990-EZ.** Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than \$15,000 on Form 990-EZ, line 6a

OMB No 1545-0047

2008

**Open To Public
Inspection**

Name of the organization THE RED OAKS SCHOOL, INC.
FORMERLY MONTESSORI CHILDREN'S HOOUSE, INC.

Employer identification number
22-1815493

Part I

Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- | | | | | | |
|----------|--------------------------|-------------------------|----------|--------------------------|---------------------------------------|
| a | <input type="checkbox"/> | Mail solicitations | e | <input type="checkbox"/> | Solicitation of non-government grants |
| b | <input type="checkbox"/> | Email solicitations | f | <input type="checkbox"/> | Solicitation of government grants |
| c | <input type="checkbox"/> | Phone solicitations | g | <input type="checkbox"/> | Special fundraising events |
| d | <input type="checkbox"/> | In-person solicitations | | | |

- 2a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☐ Yes ☐ No

- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total ►						

- 3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing

Part II Fundraising Events. Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

	(a) Event #1 <u>GALA</u> (event type)	(b) Event #2 (event type)	(c) Other Events <u>NONE</u> (total number)	(d) Total Events (Add col (a) through col (c))
Revenue				
1 Gross receipts	156,907.			156,907.
2 Less Charitable contributions				
3 Gross revenue (line 1 minus line 2)	156,907.			156,907.
Direct Expenses				
4 Cash prizes				
5 Non-cash prizes				
6 Rent/facility costs				
7 Other direct expenses	45,298.			45,298.
8 Direct expense summary Add lines 4 through 7 in column (d)				(45,298.)
9 Net income summary Combine lines 3 and 8 in column (d)				111,609.

Part III Gaming. Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col (a) through col (c))
Revenue				
1 Gross revenue				
Direct Expenses				
2 Cash prizes				
3 Non-cash prizes				
4 Rent/facility costs				
5 Other direct expenses				
6 Volunteer labor	Yes _____ % No	Yes _____ % No	Yes _____ % No	
7 Direct expense summary Add lines 2 through 5 in column (d)				()
8 Net gaming income summary Combine lines 1 and 7 in column (d)				

	Yes	No
9 Enter the state(s) in which the organization operates gaming activities _____		
a Is the organization licensed to operate gaming activities in each of these states?	9a	
b If "No," Explain _____		
10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a	
b If "Yes," Explain _____		
11 Does the organization operate gaming activities with nonmembers?	11	
12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12	

13 Indicate the percentage of gaming activity operated in

- | | 13a | % |
|--|-----|---|
| a The organization's facility | | |
| b An outside facility | 13b | % |

14 Provide the name and address of the person who prepares the organization's gaming/special event books and records

Name ► _____

Address ► _____

15a Does the organization have a contract with a third party from whom the organization receives gaming revenue? **15a**

- b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____
- c** If "Yes," enter name and address

Name ► _____

Address ► _____

16 Gaming manager information

Name ► _____

Gaming manager compensation ► \$ _____

Description of services provided ► _____

☐ Director/officer

 ☐ Employee

 ☐ Independent contractor
17 Mandatory distributions

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? **17a**
- b** Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees

► Attach to Form 990. To be completed by organizations
that answered "Yes" to Form 990, Part IV, line 23.

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization **THE RED OAKS SCHOOL, INC.
FORMERLY MONTESSORI CHILDREN'S HOOUSE, INC.**

Employer identification number

22-1815493

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

☐ First-class or charter travel

☐ Travel for companions

☐ Tax indemnification and gross-up payments

☐ Discretionary spending account

☐ Housing allowance or residence for personal use

☐ Payments for business use of personal residence

☐ Health or social club dues or initiation fees

☐ Personal services (e.g., maid, chauffeur, chef)

b If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

☒ Compensation committee

☐ Independent compensation consultant

☐ Form 990 of other organizations

☒ Written employment contract

☐ Compensation survey or study

☒ Approval by the board or compensation committee

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a:

a Receive a severance payment or change of control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

Yes No

1b

2

4a

4b

4c

5a

5b

6a

6b

7

8

X

X

X

X

X

X

X

X

X

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2008

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Area with horizontal dashed lines for supplemental information.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

► **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

OMB No 1545-0047

2008

**Open to Public
Inspection**

Name of the organization
THE RED OAKS SCHOOL, INC.
FORMERLY MONTESSORI CHILDREN'S HOOUSE, INC.

Employer identification number
22-1815493

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 10

THE ORGANIZATION'S FEDERAL FORM 990 WAS PROVIDED TO AND MADE AVAILABLE

THE BOARD OF TRUSTEES FOR REVIEW BY ITS MEMBERS PRIOR TO THE FILING OF

THE FEDERAL FORM 990 WITH THE IRS. THE BOARD HAS THE RESPONSIBILITY TO

OVERSEE, REVIEW AND APPROVAL OF THE FEDERAL FORM 990, INCLUDING THE

PREPARATION, REVIEW AND FILING PROCESS.

AS PART OF THE TAX RETURN PREPARATION PROCESS, THE ORGANIZATION HAS HIRED

A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN THE

NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990.

THE CPA FIRM'S TAX PROFESSIONAL WORK CLOSELY WITH THE ORGANIZATION'S

FINANCE PERSONNEL AND VARIOUS OTHER INDIVIDUALS FROM THE ORGANIZATION TO

OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE

TAX RETURN.

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT THE

ORGANIZATION'S BOARD OF TRUSTEES AND OTHER PERSONNEL FOR THEIR REVIEW.

THE ORGANIZATION'S BOARD OF TRUSTEES REVIEWED THE DRAFT AND WHERE

NECESSARY DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS

WERE MADE AND A FINAL RETURN WAS FURNISHED TO THE ORGANIZATION.

Name of the organization THE RED OAKS SCHOOL, INC.
FORMERLY MONTESSORI CHILDREN'S HOOUSE, INC.

Employer identification number
22-1815493

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 12

THE ORGANIZATION MAINTAINS THE WRITTEN CONFLICT INTEREST POLICY AS

APPROVED BY THE ORGANIZATIONS BOARD.

THE ORGANIZATION REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH ITS

CONFLICT OF INTEREST POLICY. ANNUALLY ALL MEMBERS OF THE BOARD OF

TRUSTEES, OFFICERS AND MANAGEMENT PERSONNEL ARE REQUIRED TO REVIEW THE

EXISTING CONFLICT OF INTEREST POLICY AND COMPLETE A QUESTIONNAIRE. THE

COMPLETED QUESTIONNAIRES ARE RETURNED TO THE ORGANIZATION FOR REVIEW AND A

SUMMARY OF THE RESULTS ARE COMPLETED AND DISCUSSED WITH INDIVIDUALS AS

NEEDED.

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION
=====

THE MISSION OF THE RED OAKS SCHOOL IS TO LAY THE FOUNDATION FOR STUDENTS TO BE ENGAGED GLOBAL CITIZENS, EQUIPPED WITH 21ST CENTURY SKILLS. OUR DYNAMIC CIRRICULUM IS BASED ON CORE MONTESSORI PRINCIPLES, ENHANCED BY CURRENT EDUCATIONAL RESEARCH. THE RED OAKS SCHOOL PROVIDED A CULTURALLY DIVERSE ENVIRONMENT IN WHICH STUDENTS DEVELOP A LOVE OF LEARNING, A STRONG SOCIAL CONSCIENCE, AND A SPIRIT OF DISCOVERY AS THEY PURSUE THEIR FULL ACADEMIC AND PERSONAL POTENTIAL.

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS
=====DESCRIPTION
-----AMOUNT

GALA	111,609.

TOTAL	111,609.
	=====

FORM 990, PART VIII - FUNDRAISING EVENTS
=====

DESCRIPTION -----	GROSS INCOME -----	DIRECT EXPENSES -----
GALA	45,298.	45,298.
TOTALS	45,298.	45,298.
	=====	=====

DEPRECIATION

Listed Property

AMORTIZATION

*Assets Retired
JSA
8X9024 1 000

DEPRECIATION

[illegible][illegible]

Asset description	Date placed in service	Cost or basis		Accumulated amortization	Ending accumulated amortization	Code	Life	Current-year amortization
TOTALS								

38

Description of Property

[illegible]

AMORTIZATION

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending accumulated amortization	Code	Life	Current-year amortization
TOTALS							

*Assets Retired
JSA
8X9024 1 000

Description of Property

DEPRECIATION															
Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me- thod	Conv	Life	ACRS class	M A CRS class	Current-year 179 expens:	Current-year depreciation
COMPUTER EQUIPMENT	03/29/2001	5,000.	100.000			5,000.	5,000.	5,000.	SL		5.000				
COMPUTER EQUIPMENT	04/25/2001	4,600.	100.000			4,600.	4,600.	4,600.	SL		5.000				
COMPUTER EQUIPMENT	05/15/2001	12,873.	100.000			12,873.	12,873.	12,873.	SL		5.000				
COMPUTER EQUIPMENT	05/15/2001	2,275.	100.000			2,275.	2,275.	2,275.	SL		5.000				
COMPUTER EQUIPMENT	06/30/2001	1,977.	100.000			1,977.	1,977.	1,977.	SL		5.000				
COMPUTER EQUIPMENT	08/14/2001	12,771.	100.000			12,771.	12,771.	12,771.	SL		5.000				
COMPUTER EQUIPMENT	10/15/2002	3,705.	100.000			3,705.	3,705.	3,705.	SL		5.000				
COMPUTER EQUIPMENT	09/05/2002	13,626.	100.000			13,626.	13,626.	13,626.	SL		5.000				
FAX SERVER	08/19/2003	1,420.	100.000			1,420.	1,373.	1,420.	SL		5.000				47.
TRICODERS/SIG PAD	09/09/2003	3,450.	100.000			3,450.	3,335.	3,450.	SL		5.000				115.
LASER COLOR PRINTE	10/15/2003	2,898.	100.000			2,898.	2,755.	2,898.	SL		5.000				143.
SMART BOARD	11/12/2003	1,193.	100.000			1,193.	1,115.	1,193.	SL		5.000				78.
TRICODER	12/03/2003	1,450.	100.000			1,450.	1,329.	1,450.	SL		5.000				121.
COMPUTER / MONITOR	12/18/2003	1,440.	100.000			1,440.	1,296.	1,440.	SL		5.000				144.
SERVER UPGRADE	05/19/2004	900.	100.000			900.	735.	900.	SL		5.000				165.
DIGITAL CAMERA	04/22/2004	903.	100.000			903.	754.	903.	SL		5.000				149.
DIGITAL CAMERA	04/23/2004	573.	100.000			573.	479.	573.	SL		5.000				94.
COMPUTER/PRINTERS	09/08/2003	23,328.	100.000			23,328.	22,552.	23,328.	SL		5.000				776.
FURNITURE&FIXTURES	08/29/2002	3,000.	100.000			3,000.	3,000.	3,000.	SL		5.000				
Less Retired Assets															
Subtotals															
Listed Property															
Less Retired Assets															
Subtotals															
TOTALS															
AMORTIZATION															

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending accumulated amortization	Code	Life	Current-year amortization
TOTALS							

*Assets Retired
JSA
8X9024 1 000

2008

22-1815493

Description of Property

DEPRECIATION

Asset description	Date placed in service	Unadjusted Cost or basis	Bus %	179 exp reduction in basis	Basis Reduction	Basis for depreciation	Beginning Accumulated depreciation	Ending Accumulated depreciation	Me- thod	Conv	Life	ACRS class	MA CRS class	Current-year 179 expense*	Current-year depreciation
FURNITURE&FIXTURES	10/09/2002	1,900.	100.000			1,900.	1,900.	1,900.	SL		5.000				
FURNITURE&FIXTURES	08/29/2002	2,295.	100.000			2,295.	2,295.	2,295.	SL		5.000				
FURNITURE&FIXTURES	09/10/2002	3,400.	100.000			3,400.	3,400.	3,400.	SL		5.000				
FURNITURE&FIXTURES	10/09/2002	840.	100.000			840.	840.	840.	SL		5.000				
FURNITURE&FIXTURES	01/24/2003	1,764.	100.000			1,764.	1,764.	1,764.	SL		5.000				
FURNITURE&FIXTURES	06/09/2003	2,244.	100.000			2,244.	2,244.	2,244.	SL		5.000				
CLOTHES DRYER	08/20/2003	495.	100.000			495.	479.	495.	SL		5.000				16.
CHAIRS	09/12/2003	611.	100.000			611.	590.	611.	SL		5.000				21.
PERM CABINETRY	09/29/2003	3,150.	100.000			3,150.	2,993.	3,150.	SL		5.000				157.
ZAPPERS	12/18/2003	975.	100.000			975.	878.	975.	SL		5.000				97.
PERM CABINETRY	07/01/2003	6,155.	100.000			6,155.	6,155.	6,155.	SL		5.000				
SOFTWARE	09/09/2003	12,600.	100.000			12,600.	12,600.	12,600.	SL		3.000				
BUILDING IMPROVEME	06/30/2003	3,815.	100.000			3,815.	646.	773.	SL		30.000				127.
BUILDING IMPROVEME	09/10/2002	1,100.	100.000			1,100.	216.	253.	SL		30.000				37.
BUILDING IMPROVEME	04/16/2003	2,500.	100.000			2,500.	436.	519.	SL		30.000				83.
BUILDING IMPROVEME	05/28/2003	4,650.	100.000			4,650.	801.	956.	SL		30.000				155.
BUILDING IMPROVEME	09/10/2002	4,200.	100.000			4,200.	817.	957.	SL		30.000				140.
BUILDING IMPROVEME	06/30/2003	15,381.	100.000			15,381.	2,608.	3,121.	SL		30.000				513.
INSTALL PLAYGROUND	09/16/2003	1,650.	100.000			1,650.	261.	316.	SL		30.000				55.
Less Retired Assets															
Subtotals															

Listed Property

Less Retired Assets															
Subtotals															
TOTALS															

AMORTIZATION

Asset description	Date placed in service	Cost or basis	Accumulated amortization	Ending Accumulated amortization	Code	Life	Current-year amortization
TOTALS							

*Assets Retired

JSA

BX9024 1 000

DEPRECIATION

Listed Property

Less Retired Assets

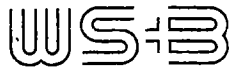
AMORTIZATION

*Assets Retired
JSA
8X9024 1 000

DEPRECIATION

AMORTIZATION

TOTALS . . .
 *Assets Retired
 JSA
 8X9024 1 000



THE RED OAKS SCHOOL, INC.

Financial Statements

June 30, 2009 and 2008

The Red Oaks School, Inc.
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June 30, 2009 and 2008

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WithumSmith+Brown, PC
Certified Public Accountants and Consultants

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973 898 9494 . fax 973 898 0686
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Additional Offices in New Jersey,
New York, Pennsylvania, Maryland,
Florida, and Colorado

Independent Auditors' Report

Board of Trustees
The Red Oaks School, Inc.
Morristown, New Jersey

We have audited the accompanying statements of financial position of The Red Oaks School, Inc., as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Red Oaks School, Inc., as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

March 24, 2010

The Red Oaks School, Inc.
Statements of Financial Position
June 30, 2009 and 2008

Assets	2009	2008
Current assets		
Cash and cash equivalents	\$ 1,209,143	\$ 780,205
Certificate of deposit	27,121	26,337
Accounts receivable	59,482	79,007
Grants and contributions receivable	5,987	1,423
Prepaid expenses	41,581	24,602
Other receivables	830	15,986
Total current assets	<u>1,344,144</u>	<u>927,560</u>
Non-Current assets		
Cash and cash equivalents - permanently restricted	-	33,000
Property and equipment - net	<u>826,918</u>	<u>783,530</u>
Total non-current assets	<u>826,918</u>	<u>816,530</u>
	<u>\$ 2,171,062</u>	<u>\$ 1,744,090</u>
Liabilities		
Current liabilities		
Accrued salaries	193,656	231,072
Accounts payable and accrued expenses	123,389	155,170
Deferred tuition revenue	<u>400,141</u>	<u>341,485</u>
Total current liabilities	<u>717,186</u>	<u>727,727</u>
Net assets		
Unrestricted	1,203,896	784,451
Temporarily restricted	249,980	198,912
Permanently restricted	-	33,000
Total net assets	<u>1,453,876</u>	<u>1,016,363</u>
	<u>\$ 2,171,062</u>	<u>\$ 1,744,090</u>

The Notes to Financial Statements are an Integral part of this statement.

The Red Oaks School, Inc.
Statement of Activities
Year Ended June 30, 2009

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Revenue and support				
Tuition	\$ 2,958,345	\$ 2,958,345	\$ -	\$ -
Other programs	207,988	207,988	-	-
Fund raising				
Unrestricted support	275,883	275,883	-	-
Investment income	9,465	7,097	2,368	-
Parents' Association	40,535	40,535	-	-
Total revenue and support	<u>3,492,216</u>	<u>3,489,848</u>	<u>2,368</u>	<u>-</u>
Expenses				
Academic instruction	1,545,149	1,545,149	-	-
Management and general	798,110	798,110	-	-
Facilities	276,646	276,646	-	-
Other programs	126,648	126,648	-	-
Fund raising				
Direct	46,050	46,050	-	-
Other	67,887	67,887	-	-
Parents' Association	49,469	49,469	-	-
Enrollment	144,744	144,744	-	-
Total expenses	<u>3,054,703</u>	<u>3,054,703</u>	<u>-</u>	<u>-</u>
Increase in net assets	437,513	435,145	2,368	-
Net assets, beginning of year	<u>1,016,363</u>	<u>784,451</u>	<u>198,912</u>	<u>33,000</u>
Reclassification of net assets	<u>-</u>	<u>(15,700)</u>	<u>48,700</u>	<u>(33,000)</u>
Net assets, end of year	<u>\$ 1,453,876</u>	<u>\$ 1,203,896</u>	<u>\$ 249,980</u>	<u>\$ -</u>

The Notes to Financial Statements are an integral part of this statement.

The Red Oaks School, Inc.
Statement of Activities
Year Ended June 30, 2008

	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Revenue and support				
Tuition	\$ 2,948,877	\$ 2,948,877	\$ -	\$ -
Other programs	214,637	214,637	-	-
Fund raising				
Temporarily restricted support	33,000	-	33,000	-
Unrestricted support	311,104	311,104	-	-
Investment income	35,764	29,222	6,542	-
Parents' Association	32,846	32,846	-	-
Other Income	11,607	11,607	-	-
Net assets released from restrictions	-	15,000	(15,000)	-
Total revenue and support	<u>3,587,835</u>	<u>3,563,293</u>	<u>24,542</u>	<u>-</u>
Expenses				
Academic instruction	1,638,104	1,638,104	-	-
Management and general	941,761	941,761	-	-
Facilities	304,019	304,019	-	-
Other programs	169,604	169,604	-	-
Fund raising				
Direct	61,276	61,276	-	-
Other	31,232	31,232	-	-
Parents' Association	25,877	25,877	-	-
Enrollment	<u>159,718</u>	<u>159,718</u>	<u>-</u>	<u>-</u>
Total expenses	<u>3,331,591</u>	<u>3,331,591</u>	<u>-</u>	<u>-</u>
Increase in net assets	256,244	231,702	24,542	-
Net assets, beginning of year	<u>760,119</u>	<u>552,749</u>	<u>174,370</u>	<u>33,000</u>
Net assets, end of year	<u>\$ 1,016,363</u>	<u>\$ 784,451</u>	<u>\$ 198,912</u>	<u>\$ 33,000</u>

The Notes to Financial Statements are an integral part of this statement.

The Red Oaks School, Inc.
Statements of Cash Flows
Years Ended June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities		
Increase in net assets	\$ 437,513	\$ 256,244
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	90,785	98,981
(Increase) Decrease in:		
Accounts receivable	19,525	7,449
Grants and contributions receivable	(4,564)	1,372
Prepaid expenses	(16,979)	21,103
Employee loans receivable	-	14,544
Other receivables	15,156	(10,940)
Increase (Decrease) in:		
Accrued salaries	(37,416)	54,696
Accounts payable and accrued expenses	(31,781)	99,196
Deferred tuition revenue	58,656	(95,300)
Net cash provided by operating activities	<u>530,895</u>	<u>447,345</u>
Cash flows from investing activities		
Acquisition of property and equipment	(134,173)	(55,650)
Interest from certificate of deposit	<u>(784)</u>	<u>(827)</u>
Net cash used by investing activities	<u>(134,957)</u>	<u>(56,477)</u>
Cash flows from financing activities		
Payments on line of credit	-	(150,000)
Payments on capital lease	<u>-</u>	<u>(9,511)</u>
Net cash used by financing activities	<u>-</u>	<u>(159,511)</u>
Net increase in cash and cash equivalents	395,938	231,357
Cash and cash equivalents, beginning of year	<u>813,205</u>	<u>581,848</u>
Cash and cash equivalents, end of year	<u>\$ 1,209,143</u>	<u>\$ 813,205</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest	\$ -	\$ 3,175

The Notes to Financial Statements are an integral part of this statement.

The Red Oaks School, Inc.
Notes to Financial Statements
June 30, 2009 and 2008

i. Summary of Significant Accounting Policies

Nature of Organization

The Red Oaks School (the School)(ROS), founded in 1965, is a fully - accredited independent day school serving a diverse population of students ages 3 to 12. ROS promotes a love of learning, a strong social conscience and a spirit of discovery in children as they work to fulfill their full academic potential. ROS accomplishes its objectives by implementing a dynamic curriculum built on core Montessori principles and enhanced by current, validated research in education.

Financial Statement Presentation

ROS reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Net assets of the two restricted classes are created by donor imposed restrictions on their use.

Basis of Accounting

ROS prepares its financial statements on the accrual basis of accounting.

Non-Profit Organization Status

ROS has received approval from the Internal Revenue Service to operate as a tax-exempt, non-profit organization under Section 501(c)(3) of the Internal Revenue Code. They are exempt from federal and state taxes.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank and cash on hand. ROS considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. Certificates of deposit with original maturities greater than 3 months are considered classified separately.

Donated Services

No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to ROS.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues and expenses during the reporting period. Actual results could differ from these estimates.

Property and Equipment

Property and equipment consists of furniture and fixtures, computer equipment, building and improvements, software and land which are stated at cost. Depreciation is provided by the straight-line method over the estimated useful life of the equipment as follows:

Computer equipment	3 years
Software	3 years
Furniture and fixtures	5 years
Building and improvements	30 years

Expenditures for maintenance and repairs are charged to expense as incurred. Expenditures for major renewals, betterments and additions are capitalized. When assets are retired or otherwise disposed of, the cost of the assets and the related accumulated depreciation are eliminated from the accounts. Any gain or loss on disposition is credited or charged to Income.

The Red Oaks School, Inc.
Notes to Financial Statements
June 30, 2009 and 2008

Advertising

Advertising expenses are expenses as incurred. Such expenses amounted to \$2,817 and \$4,063 for the years ended June 30, 2009 and 2008 respectively.

Reclassifications

Certain amounts previously reported in the 2008 financial statements have been reclassified to conform to the 2009 classifications. These classifications had no effect on the increase in net assets of the School.

2. Deferred Tuition Revenue

Tuition revenue is recognized in the school year the student is in attendance. When tuition is paid in advance, the revenue is deferred until the school year begins.

3. Fair Value Measurements

The School has provided fair value disclosure information for relevant assets and liabilities in these financial statements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value which are the following:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following table represents the Foundation's fair value hierarchy for its financial assets (money market funds and investments) measured at fair value on a recurring basis as of June 30, 2009:

	Total	Quoted Prices in Active Market	Observable Measurement Criteria	Unobservable Measurement Criteria
Certificate of deposit	\$ 27,121	\$ 27,121	\$ -	\$ -
	<u>\$ 27,121</u>	<u>\$ 27,121</u>	<u>\$ -</u>	<u>\$ -</u>

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4. Property and Equipment

Property and equipment and the related accumulated depreciation are summarized as follows at June 30:

	2009	2008
Furniture and fixtures	\$ 200,105	\$ 197,179
Software	95,853	95,853
Computers	255,751	230,985
Building	1,066,983	1,066,983
Building improvements	626,744	520,264
Land	<u>15,000</u>	<u>15,000</u>
	2,260,436	2,126,264
Less: accumulated depreciation	<u>1,433,518</u>	<u>1,342,734</u>
Property and equipment – net	<u><u>\$ 826,918</u></u>	<u><u>\$ 783,530</u></u>

5. Obligation Under Capital Lease

ROS entered into lease obligations for new computers and equipment which have been classified as capital leases. The present value of future minimum lease payments under these leases and the corresponding liability has been recorded in the financial statements as computers under capital lease. The due date of the capital leases was November 2007 and bear interest at 9.35%. Payment was satisfied in the June 30, 2008 year end.

Interest expense was \$1,353 for the years ended June 30, 2008.

The following is an analysis of the leased assets included in property and equipment at June 30, 2009 and 2008, respectively.

	2009	2008
Computers	\$ -	\$ 19,020
Less: accumulated depreciation	<u>-</u>	<u>10,144</u>
Leased Property and Equipment – Net	<u><u>\$ -</u></u>	<u><u>\$ 8,876</u></u>

Depreciation for leased assets included as a charge to income amounted to \$3,804 for June 30, 2008. The amount is included in depreciation expense.

6. 403(b) Savings Plan

ROS sponsors a 403(b) plan which covers substantially all the employees. The employees can contribute up to 17% of salaries. For the years ended June 30, 2009 and 2008, the school matched up to 5%.

Contributions to the plan were \$69,478 and \$75,092 for the years ended June 30, 2009 and 2008, respectively.

7. Restricted Cash and Temporarily Restricted Income

During the years ended June 30, 2009 and 2008 contributions of \$ -0- and \$33,000, respectively, were received, which were temporarily restricted. The income generated from these investments was also temporarily restricted.

The temporarily restricted fund balance was donor restricted for building expansion costs. During the year end 2009, \$33,000 was reclassified from permanently restricted funds to temporarily restricted funds due to a misclassification in prior years

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8. Uninsured Cash Balances

ROS maintains its funds in checking accounts, certificates of deposits and brokerage accounts covered by FDIC and SIPC for amounts up to \$250,000. The amount in excess of insured limits at June 30, 2009 and 2008 were approximately \$737,000 and \$407,000, respectively. ROS monitors the financial condition of these institutions and does not believe that it is exposed to any significant uninsured risk on its balances.

9. Line of Credit

ROS has a \$450,000 revolving line of credit with terms which expired in January 2009. This was subsequently extended and will now expire in January 2010. The interest rate on the line of credit is equal to the bank's prime rate. The School had not drawn on the line of credit during the years ended June 30, 2009 and 2008.

10. Summer Payroll/Sick Days

Employees are required to have salaries earned over a period of twelve months. However, teaching staff only work a ten month year. Sick days not taken are forfeited at the end of the school year.

11. Subsequent Events

The School has evaluated all subsequent events through March 2010, the date the financial statements were available to be issued. Based, on this evaluation, the School has no subsequent events which require disclosure in the financial statements.